

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 07245 191548Z

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00 L-03
H-01 PM-04 NSC-05 SP-02 SS-15 /059 W
-----192300Z 086759 /45

R 191131Z MAY 77

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3496

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

LIMITED OFFICIAL USE NEW DELHI 7245

E.O. 11652: NA

TAGS: EAIR IN

SUBJECT: CIVAIR: PANAM AND TWA REMITTANCES

REF: NEW DELHI 6839

1. PANAM REMITTANCES. MINISTRY OF FINANCE JOINT SECRETARY JUNEJA INFORMED ECON COUNSELOR THAT RESERVE BANK OF INDIA DOES NOT SEE ANY PROBLEM WITH REMITTANCE APPLICATIONS BEING MADE MORE FREQUENTLY THAN PRESENT MONTHLY SYSTEM, ALTHOUGH RBI WOULD NOT MAKE DEFINITE COMMITMENT AT THIS TIME. ACCORDING TO JUNEJA, RBI CONSIDERS THAT NEW SYSTEM, IF IMPLEMENTED, WOULD HAVE TO APPLY TO ALL AIRLINES OPERATING HERE, AND NOT JUST PANAM. CONSEQUENTLY, RBI WOULD NEED, AND HAS ALREADY REQUESTED, ADDITIONAL STAFF TO HANDLE INCREASED PAPER WORK, BUT SUCH A REQUEST NORMALLY TAKES ABOUT SIX MONTHS TO IMPLEMENT.

2. COMMENT: PANAM REGIONAL REPRESENTATIVE PEDERSEN TOLD US THAT WEEKLY REMITTANCE SYSTEM, WHILE IT WOULD REQUIRE PANAM TO HIRE MORE STAFF, WOULD BE ACCEPTABLE TO PANAM. AS THIS WILL TAKE SOME TIME, EMBASSY AND PANAM ARE NOW IN PROCESS OF DECIDING FURTHER APPROACH TO MINISTRY OF FINANCE. WE HAVE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 07245 191548Z

ASKED PANAM FOR COMMENTS ON SEVERAL ALTERNATIVES (E.G. MONTHLY REMITTANCE APPLICATION AND ACCEPTANCE AT BEGINNING OF MONTH RATHER THAN NEAR THE END OF IT, OR SOME TYPE OF MINIMUM BALANCE SCHEME) WHICH WE COULD PRESENT TO MOF. MAIN OBJECTIVE IS WORKABLE AND EFFICIENT SYSTEM WHICH WILL REDUCE LARGE CASH BALANCES. PANAM NOW CARRIES HERE. HOWEVER, SOME ALTERNATIVES WOULD REQUIRE CHANGE IN GOI REGULATIONS, WHICH IS LENGTHY

PROCESS, WHEREAS MORE FREQUENT REMITTANCE SYSTEM RECOMMENDED BY EMBASSY HAS THE ADVANTAGE OF NOT NEEDING REGULATION CHANGE. PANAM WOULD, OF COURSE, PREFER REMITTANCE AT WILL, BUT SINCE INDIAN RUPEE IS NOT CONVERTIBLE AND GOI IS NOT LIKELY TO MAKE SUCH A DRASTIC MODIFICATION IN ITS FOREIGN EXCHANGE REGULATIONS, WE DO NOT NOW CONSIDER THIS DEMAND TO BE REALISTIC. END COMMENT.

3. TWA REMITTANCES: JUNEJA TOLD ECON COUNSELOR THAT RBI DOES NOT HAVE PROBLEM WITH CONCEPT OF TWA REMITTING MONEY FROM INDIA. HOWEVER, RBI INTERPRETS MINISTRY OF CIVIL AVIATION REGULATIONS TO MEAN THE REMITTANCE SERVICES ARE AVAILABLE ONLY TO THOSE AIRLINES ACTUALLY FLYING IN AND OUT OF INDIA. ACCORDING TO JUNEJA, THE RBI IS SYMPATHETIC TO TWA'S REQUEST TO REMIT AND HAS ASKED MOCA IF REGULATION IS STRICTLY ENFORCED OR CAN BE INTERPRETED FLEXIBLY TO INCLUDE TWA. RBI EXPECTS TO GET AN ANSWER IN ONE WEEK OR TEN DAYS. JUNEJA NOTED THAT, EVEN IF ANSWER IS FAVORABLE, RBI STILL WOULD WANT AN ASSURANCE FROM TWA THAT OLD REMITTANCE CASES BE CLEARED UP WITHIN SIX WEEKS.

4. COMMENT: WE ARE NOW COORDINATING WITH TWA REPRESENTATIVE SINGH ON OUR APPROACH TO GOI. OUR POSITION IS THAT WE CONSIDER TWA TO BE ONE OF TWO OFFICIALLY RECOGNIZED US AIR CARRIERS IN INDIA, EVEN THOUGH TWA HAS TEMPORARILY SUSPENDED ITS FLIGHTS HERE. AS A RESULT, WE THINK THAT TWA SHOULD BE ENTITLED TO PERFORM RELATED ACTIVITIES (SUCH AS SELLING TICKETS) AND TO MAKE REMITTANCES. SINGH HAS TOLD US THAT ABOUT 80 PERCENT OF THE OLD CASES CAN BE CLEARED UP WITHIN SIX WEEKS (RECORDS ON OTHER CASES HAVE BEEN LOST) AND THAT HE CAN GIVE THIS FORMAL ASSURANCE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NEW DE 07245 191548Z

TO GOI. WE WILL KEEP DEPT INFORMED ON PROGRESS OF THESE TWO REMITTANCE PROBLEMS.
SCHNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, FOREIGN EXCHANGE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NEWDE07245
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770179-0509
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770539/aaaabhsi.tel
Line Count: 100
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: eed8cc8f-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 NEW DELHI 6839
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2450373
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: PANAM AND TWA REMITTANCES
TAGS: EAIR, IN, PANAM, TWA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/eed8cc8f-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009